

TO: Independent Competition and Regulatory Commission GPO Box 296 CANBERRA CITY
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Submission on a pricing model for a premium feed-in tariff

Further to my previous submission and the ICRC Draft Report (February 2010):

- the Commission appears to have taken no account of likely changes in the demand and price for renewable energy that will occur in the ACT in the period 2010-2015 with the introduction of battery electric vehicles fuelled with renewable energy from accredited sources;
- the ACT Government has indicated in its Draft Sustainable Energy Policy (December 2009) that it wants to achieve early adoption of electric vehicles in the ACT, with implementation of city-wide infrastructure in Canberra as early as 2011/2012 (Better Place Australia), and trialling of electric vehicles for ACT government fleet operations "as soon as is possible";
- it is conceivable that the additional demand for renewable energy for fuelling electric vehicles in the ACT could be as much as 10,000,000 kWh per annum by 2015 (equivalent to the output of 3,000 rooftop solar generators in the 1.5-2.0kW class);
- this demand will be significantly less sensitive to price by comparison with existing domestic and commercial markets for renewable energy, due to the very high energy efficiency of battery electric vehicles (85-90%) and the very favourable cost comparison with per km energy costs for liquid fuelled vehicles (5-10 c/km cf 1025c/km);
- reduction of the premium feed-in tariff to 37.0c/kWh beyond June 2010 is likely to result in this demand not being met from renewable generating capacity in the ACT;
- the proposed feed-in tariff of 37.0/kWh is strongly focused on the investment case for 1.5kW generators, although the scheme provides for generators up to 30kW;
- the existing tariff of 50.05c/kWh should be maintained until 30 June 2011, permitting adequate time to undertake comprehensive modelling and evaluation of the likely future demand and price sensitivity for renewable energy in the ACT, taking full account of relevant Federal and ACT Government policies and programs that are currently being reviewed or implemented, and other relevant initiatives including the introduction of battery electric vehicles in the ACT from 2012.

Sincerely,

David Glynne Jones